

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15 EB-07

COME-00 TRSE-00 AID-05 IGA-02 OMB-01 SIL-01 LAB-04

/087 W

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R 300820Z DEC 75

FM AMCONSUL DHAHRAN

TO SECSTATE WASHDC 4539

INFO AMEMBASSY ABU DHABI

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY MANAMA

AMEMBASSY MUSCAT

A EMBASSY TEHRAN 1033

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REF: DHAHRAN 1382

E.O. 11652: N/A

TAGS: EWWT, SA

SUBJECT: SITREP: DAMMAM PORT

1. SUMMARY: CONGESTION IN DAMMAM PORT HAS INCREASED OVER PAST FOUR WEEKS. SHIPS NOW REGISTERING FOR BERTHS ASLONG-SIDE IN DAMMAM PORT CAN ANTICIPATE 84-DAY WAIT VS 70-DAY PERIOD BEGINNING OF DECEMBER. LOST WORK DAYS DUE TO RECENT EID HOLIDAYS AND SOME BAD WEATHER HAS CAUSED MUCH OF THE INCREASE IN PORT PROBLEM AT DAMMAM. HOWEVER, US ARMY COLONEL, ON LOAN TO SAG, HAS CONFIDENCE THAT PROGRAMS HE IS IMPLEMENTING HERE WILL LEAD TO A MARKED IMPROVEMENT IN SITUATION BY THE END OF FIRST QUARTER OF 1976. SO FAR HE IS OFF TO GOOD START. (END SUMMARY).

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2. SITUATION IN DAMMAM PORT HAS DETERIORATED SINCE

SITREP TRANSMITTED IN REFTEL. AS OF 7 AM DEC 29, 487,324 TONS OF GENERAL CARGO WERE WAITING TO BE CLEARED THROUGH PORT AND 132 SHIPS HAVE REGISTERED FOR BERTHS. WAITING PERVHD FOR BERTH ALONG SIDE FOR SHIPS CARRYING GENERAL CARGO IS JUDGED TO BE 84 DAYS -- UP TWO WEEKS FROM BEGINNING OF MONTH.

3. GOOD SHARE OF WORSENING PORT PROBLEM CAN BE TRACED TO RECENT EID HOLIDAYS AND FEW DAYS OF ROUGH WEATHER IN GULF DURING DECEMBER. ALTHOUGH PORT CLOSED ONLY TWO DAYS DURING RECENT EID, THERE WAS HIGH ABSENTEE RATE BEFORE AND AFTER WHICH LED, FOR EXAMPLE, TO ONLY 1348 TONS (VS 10,000 TONS ON GOOD WORKING DAY) BEING DISCHARGED DAY AFTER END OF EID. REAL PROBLEM IS TRACED TO EIGHT-DAY PERIOD SPANNING THE EID WHEN IMPORTERS AND CUSTOMS ALL BUT SUSPENDED CLEARING OF INCOMING SHIPMENTS. IMMEDIATELY AFTERWARDS THERE WAS RUSH FOR RAILROAD CARS WHICH CAUSED SHORTAGES TO DEVELOP WHICH HAVE SINCE SLOWED MOVEMENT OF CARGO OUT OF PORT. ROUGH SEAS AROUND PORT IN DECEMBER AND COUPLE OF DAYS OF RAIN NEAR MIDDLE OF MONTH ALSO PLAYED HOB WITH PORT OPERATIONS.

4. OF PARTICULAR IMPORTANCE TO US SHIPPERS IS CLUSTER OF 77 BARGES DROPPED OFF BY FIVE AMERICAN-FLAG LASH VESSELS DURING DECEMBER. 52 REMAIN TO BE OFF-LOADED IN PORT AND ROUGHLY 25-DAY CYCLE SET BY MOTHER SHIPS TO RETURN AND PICK UP THE BARGES IS MOVING ALONG AND IT DOUBTFUL, AT THIS TIME, THAT THEY WILL ALL BE DISCHARGED BY TIME LASH VESSELS RETURN TO RETRIEVE THEM.

5. ALTHOUGH CONGESTION IN DAMMAM PORT INCREASING, USA TRANSPORTATION CORPS COLONEL ON LOAN TO SAG (SEE PARA 2 REFTEL) IS STILL OPTIMISTIC THAT STEPS NOW BEING TAKEN WILL LEAD TO MARKED EASING OF PORT CONGESTION PROBLEM. HE TOLD CONGENOFF DEC 29 HE HAS BEEN GIVEN CARTE BLANCHE ("WHAT WE SAY GOES") TO RESOLVE DAMMAM PORT PROBLEMS. TOGETHER WITH BEING GIVEN "A CHECK BOOK AND TOLD TO GO BUY WHAT WE NEED", COLONEL HAS JUST JUMPED OFF TO IMPLEMENT SEVERAL, WHAT HE TERMS, "QUICK FIXES" THAT HE BELIEVES WILL, OVER NEXT 90 DAYS, DRASTICALLY SHORTEN THE WAITING TIME FOR SHIPS CALLING AT DAMMAM.9
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HE CATALOGS HIS ZQUICK FIXES"ES FELOWS:

(A) PROGRAM WAS INITIATED FEW DAYS AGO TO CLEAR OUT OF PORT ALL CARGO THAT HAS BEEN SITTING THERE FOR MORE THAN 90 DAYS. ACCUMULATE CARGO HAS OVERFLOWED PORT SHEDS AND IS NOT ONLY HINDERING MOVEMENT OF

TRUCKS AND FORK LIFTS AS THEY MOVE CARGO AWAY FROM SHIPS, BUT CAUSE NEWLY DISCHARGED CARGO TO BE SCATTERED THROUGHOUT PORT -- MAKING IT DIFFICULT FOR IMPORTERS TO ASSEMBLE SHIPMENTS FOR CLEARANCE THROUGH CUSTOMS. OLDER CARGO IS BEING SHIFTED OUTSIDE OF IMMEDIATE PORT AREA AREA TO STAGING AREA WHERE IT WILL BE AUCTIONED OFF IF NOT QUICKLY CLEARED BY CONSIGNEE. COLONEL ANTICIPATES 350,000 TONS OF GENERAL CARGO WILL BE REMOVED FROM PORT AREA OVER NEXT 90 DAYS.

(B) NEW CARGO MARKING SYSTEM IS BEING USED TO HELP IMPORTERS LOCATE THEIR SCATTERED SHIPMENTS MORE QUICKLY AND ALSO PERMIT PORT AUTHORITIES TO MORE SWIFTLY IDENTIFY CARGO THAT IS SUBJECT TO AUCTIONING UNDER 90-DAY RULE.

(C) NEW PORT HANDLING EQUIPMENT IS COMING IN AS ANTICIPATED (SEE PARA 2 REFTTEL).

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R 300820Z DEC 75
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(D) RECRUITERS HAVE JUST RETURNED FROM INDIA WHERE "LARGE AMOUNT" OF DOCK LABORERS HAVE BEEN HIRY TO WORK IN DAMMAM AND, THEREBY, QUICKEN DISCHARGE RATE ON SHIPS CARRYING GENERAL CARGO. NEW WORKERS ARE EXPECTED TO ARRIVE SOON.

(E) 19 NEW BARGE DISCHARGE POINTS ARE BEING CONSTRUCTED. SIX ARE TO BE READY VERY SHORTLY AND REMAINDER ARE TO BE FINISHED BY END OF MARCH. COLONEL EXPECTS TWO BARGE POINTS WILL HANDLE AS MUCH CARGO AS ONE PIER BERTH. IF THIS PROVES CORRECT, PORT CAPACITY SHOULD BE INCREASED BY 50 PERCENT (ALTHOUGH TIME LOST IN DOUBLE HANDLING OF CARGO OFF CHIPS IN STREAM INTO BARGES WILL MEAN LOWER DISCHARGE RATES PER SHIP). AS ILLUSTRATED BY BARGE DISCHARGE DELAYS DISCUSSED IN PARA 4 ABOVE, NEW BARGE POINTS WILL BE OF PARTICULAR UNCLASSIFIED UNCLASSIFIED

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VALUE TO THREE AMERICAN LINES WHICH PRESENTLY OFFER SERVICE TO DAMMAM WITH LASH VESSELS.

6. COMMENT: THE "QUICK FIXES" APPEAR TO BE TAKING AHOLD. CONGENOFFS, PASSING NEAR DAMMAM PORT ON DECEMBER 28, WITNESSED CONSIDERABLE ACTIVITY IN NEW STAGING AREA MENTIONED IN PARA 5(A) ABOVE. PERHAPS MORE IMPORTANT IS CARROT AND STICK WORK COLONEL IS DOING AMONG PRIVATE SECTOR PORT USERS. IMPORTERS, AS WE INDICATED IN REFTTEL, HAVE CONTRIBUTED TO MAIN BOTTLENECK IN PORT BECAUSE THEY TAKE THEIR OWN SWEET TIME TO CLEAR CONSIGNMENTS OUT OF PORT AREA AS THEY HAVE FOUND PORT DEMURRAGE CHARGES TO BE LESS THAN WAREHOUSE RENTALS. COLONEL REPORTS THAT WITH THREAT OF AUCTION HANGING OVER CARGOES SITTING IN PORT LONGER THAN OP DAYS, HE HAS OBSERVED MUCH MORE INTEREST ON PART OF LOCAL BUSINESS COMMUNITY TO CLEAR INCOMING SHIPMENTS. ON CARROT SIDE, COLONEL HAS GOTTEN PORT AUTHORITIES TO SET ASIDE APPROXIMATELY SQUARE MILE NEAR PORT ON WHICH IMPORTERS CAN CONSTRUCT WAREHOUSES. AT SAME TIME HE HAS BOOKED HIMSELF TO MEET WITH CHAMBER OF COMMERCE NEXT MONTH TO EXPLAIN HIS PROGRAM. THIS WEEK, WHEN CONSUL GENERAL CALLED ON CHAMBER OF COMMERCE BOARD OF DIRECTORS, PRESIDENT OF CHAMBER MADE PARTICULAR POINT OF PRAISING WORK OF US ARMY COLONEL. WITH SAG BACKING HIM UP AND LOCAL BUSINESS COMMUNITY LINING UP IN SUPPORT, COLONEL LOOKS TO WREAK REMARKABLE CHANGES IN OPERATION OF DAMMAM PORT. BUSHNELL

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